



FINANCE, REVENUE AND BONDING COMMITTEE – MARCH 21, 2022

TESTIMONY OF CAROL PLATT LIEBAU, PRESIDENT

SB 443 – AN ACT CONCERNING THE TAX INCIDENCE REPORT, TAX INCIDENCE ANALYSES AND THE DISCLOSURE OF RETURNS AND RETURN INFORMATION – REMOVE SECTION 3

The proposal contained in section 3—allowing state lawmakers to inspect individual personal income tax returns—would facilitate unjustifiable invasions of privacy.

There is no useful information that lawmakers can glean from individual tax returns that cannot already be provided by the Department of Revenue Service or the Office of Fiscal Analysis in the form of statistical reports. Consultation with other state tax administrators will show that Connecticut would be an extreme outlier in granting access to tax records of this nature, which is otherwise tightly controlled in every instance.

Election to public office does not bring with it an entitlement to the most personal details about one's fellow citizens. And legislation that enables politicians to obtain such access is profoundly flawed, opening the door to abuse and weaponization of sensitive information, with the concomitant chilling of free speech rights.

The explosive growth in non-residents paying state income taxes reflects people exercising their ability to limit their time here. This measure—and the resultant prospect of having one's tax returns appear on the internet—would almost certainly lead some people to avoid Connecticut (and our taxes) altogether. This would undoubtedly have adverse fiscal implications that as yet have not been estimated or disclosed.

This section should be removed from the bill.